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State of California—Health and Human Services Agency
Department of Health Services



ARNOLD SCHWARZENEGGER
Governor

June 19, 2006

PPL No. 06-011

TO: LOCAL EDUCATIONAL CONSORTIUM COORDINATORS AND
LOCAL GOVERNMENTAL AGENCY COORDINATORS FOR THE
MEDI-CAL ADMINISTRATIVE ACTIVITIES PROGRAM

SUBJECT: Appropriate Claiming of Activity Codes 15 and 16

This Policy and Procedure Letter provides guidance for School-Based Med-Cal Administrative Activities (SBMAA) claiming units regarding the appropriate claiming of MAA activity codes 15 and 16. According to OMB Circular A-87, Attachment A, section C, and the SBMAA manual 2-2, federal funding is available for the cost of **administrative activities** that directly support efforts to identify and enroll potential eligibles into Medicaid and that directly support the provision of medical services covered under the State Medicaid plan. Therefore, Invoices must only include data from the participants time surveys whose time documents MAA reimbursable time.

For example, if a person does not perform any claimable SBMAA activity (codes 4, 6, 8, 10, 12, 14) during the survey week, they cannot charge any time to code 15 for only completing the time survey. Similarly, if a person does not perform any claimable SBMAA activity during the survey week, they cannot charge any time to code 16. This also means a person cannot time survey to only code 16 and charge time to code 15 for only completing the time survey. **Exceptions would be LEC, LGA or LEA MAA Coordinators performing coordination and administrative oversight and/or a person on paid absence or leave who typically performs MAA as demonstrated through previous time surveys and the duty statement.**

The California Department of Health Services advises the LECs/LGAs/LEAs to review their time surveys and invoices to assess reasonableness of time. Can the Code 15 time be explained and justified adequately to an auditor? If not, the LECs/LGAs/LEAs are advised to revise any invoices that do not meet this criteria.

All records in support of allowable MAA activities must be maintained in an audit file for a minimum of three fiscal years and made available to the State and the Federal Governments upon request, in accordance with Title 42 of the Code of Federal Regulations, Section 433.32. CDHS Audits and Investigation Division, the Centers for Medicare and Medicaid Services, and the Office of the Inspector General will reference OMB A-87 to verify supportable and allowable costs.

The LEA is responsible to ensure that time survey results are supportable. The LEA is also responsible for any audit disallowance.

If you have any questions, please contact Ms. Barbara Schultz, Chief, School Based MAA Unit, at (916) 552-9616 or bschultz@dhs.ca.gov.

Sincerely,

Original Signed by Elizabeth Touhey

Elizabeth Touhey, Acting Chief
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cc: Ms. Cathleen Gentry
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